

UNCOORDINATED DRAFT

MEMORANDUM FOR DISTRIBUTION

FROM: SAF/AQ

SUBJECT: Monthly Acquisition Report (MAR)

MAR POLICY

Achieving acquisition excellence is a team effort, which relies on timely and appropriate communications throughout the acquisition community. Formal reporting from the System Program Director (SPD) is one way to keep that flow of information on track. The foundation of formal reporting is the Monthly Acquisition Report (MAR). The objective of the MAR is to ensure the Service Acquisition Executive (SAE) receives adequate programmatic information to meet oversight responsibilities while minimizing the overall effort required to collect, prepare, and process information. The threefold purpose of the MAR is to:

a) provide the Program Executive Officer (PEO), Designated Acquisition Commander (DAC) and SAE a brief, timely, ready reference and a quick-look assessment of program health. The focus is on Executive-level reporting, and on assisting them to determine where and how they need to be involved. As such, it is used to determine which programs require additional in-depth reviews and/or assistance to enable better program execution by the SPD.

b) provide the basic data input to allow cross-program analysis. Data is analyzed to identify trends across acquisition management, portfolios, and the industrial base. It also supports evaluation of AF investments against our strategic plan. It is a key input for policy changes and improvements.

c) provide the basis for other mandatory reporting such as quarterly Defense Acquisition Executive Summaries (DAES) for OSD, the annual Selected Acquisition Reports (SAR) for Congress, the Air Force Performance Measurement Reporting System (AFPMRS), and other reviews as designated. Ultimately this helps us in our transition to an Integrated Digital Environment.

This policy applies to all ACAT I, II, and III acquisition programs. A current list of acquisition programs submitting MARs is attached (atch 1). SAF/AQX, in conjunction with HQ AFMC maintains a listing of all acquisition and sustainment programs. An acquisition program/project/effort not on the ACAT list, as well as some sustainment programs may be required to submit a MAR if the SAE or a PEO/DAC feels it appropriate to keep the SAE informed.

This policy supercedes SAF/AQ's previous MAR policy letter dated 2 Apr 1999.

MAR PROCESS RESPONSIBILITIES

SPD Responsibilities: The Monthly Acquisition Report will be prepared and submitted by the SPD through the PEO or DAC to the SAE for all ACAT I, II, and III acquisition programs. All programs will report monthly. The SPD is to ensure the MAR represents their personal

assessment of program status, and is accurate, brief, and understandable to those outside the program office. MARs will be submitted electronically to the appropriate PEO/DAC with a courtesy copy to the appropriate Program Element Monitor (PEM). In addition, SPDs may provide contractors a copy of the MAR Program Assessment Chart after the PEO/DAC has approved it, to satisfy contractor performance assessment requirements levied by OSD (AT&L) letter dated 12 Dec 1999.

PEO/DAC Responsibility: PEOs and DACs will review each MAR in their portfolio and edit the MARs with their overall program executability assessment. The Overall assessment rating in the MAR represents the recommendation by the PEO/DAC to the SAE of program status/overall executability of the program. The Overall assessment rating in the MAR shall form the basis for SAF/AQ reporting in the Air Force Performance Measurement Reporting System (AFPMRS). PEO/DACs must electronically submit the MARs for the programs in their portfolios to SAF/AQXR (safaqxrrpts@pentagon.af.mil) by the 10th working day of each month. PEOs will also provide courtesy copies of their MARs to the appropriate Product Center Commander. PEOs/DACs may also release them to other organizations as they deem appropriate. Any MAR requiring urgent and significant action should also be sent directly to the SAE. PEOs and DACs shall notify SAF/AQXR when initiating MAR reporting on a new program. PEOs and DACs will also determine when, in their judgement, MAR reporting is no longer necessary. In general, this “sunset provision” may be considered after 90 percent of expected deliveries or planned expenditures have been made. Termination of MAR reporting on a program also requires notification to SAF/AQXR.

PEM Responsibility: PEMs should assess program status and relate issues to outyear and Congressional actions. As appropriate, PEMs should provide point paper assessments and recommendations to PEO, MAD, AF Corporate Panel, and SAF/AQXR.

SAF/AQXR Responsibility: As the focal point for the MAR process policy and data analysis, SAF/AQXR shall collate MAR inputs, prepare program summary analyses, and deliver a hard copy of the MARs to the SAE by the 15th working day of the month. Electronic posting of MARs on the AQ web and a CD version will be complete by the 20th working day of each month. SAF/AQXR will use the Overall assessment as the basis to update AFPMRs. In addition, SAF/AQXR will develop analysis tools which incorporate data submitted from MARs and other reports to support the SAE. SAF/AQXR will also maintain format control and provide template format files to PEO and DAC MAR focal points/POCs. They are also tasked to develop the future MAR transition to an automated database and information system.

MAR FORMAT

Security: The security classification for the MAR is **Unclassified, For Official Use Only**. Although the MAR is intended for internal AF use, it may not exclusively be used as such.

Medium: Currently, MARS will be sent via e-mail attachment. Both portions of the MAR are now in MS PowerPoint instead of MS Word and MS PowerPoint. It is our intent to move toward a posting of MARs on the Air Force Portal verses e-mail as soon as possible. Our longer-term desire is to replace MS PowerPoint files with a means of automated data collection, which

not only produce the charts, but allows integration of data into multiple systems, reducing duplication of entry. Until such time, final products from PEOs and DACs should be electronically transmitted via e-mail to: safaqxrrpts@pentagon.af.mil

Date: The date of the MAR submittal by SAF/AQXR to the SAE shall reflect the month of performance, not the month of production, e.g. the June MAR submitted in mid-July will reflect June performance. Reduction of this time lag will be a major goal of automating the MAR.

Data Requirements: The MAR submittal from each program will consist of a one-page Program Assessment Chart and a one-page Program Data Chart that together concisely describe program issues and status for the month. All data should be as of the end of the month. If the data, or a report, is not as of the end of the month, cite the “as of” date of the data. A SPD may use estimated actuals for financial data to reflect the previous month when appropriate. If this approach is taken, it must be annotated as estimated data.

The Program Assessment Chart format along with instructions is located at atch 2. This chart focuses primarily on representing SPD assessment of program status via Green, Yellow and Red assessments in Cost, Technical, Funding, and Schedule. The Program Assessment Chart is the place to identify issues, their impacts, and the plan for resolution (Way Ahead). This chart also requires an overall executability assessment by the PEO/DAC. Further definition is contained in the instructions for the Program Assessment Chart.

The Program Data Chart format along with instructions is located at atch 3. This chart contains specific cost and funding data intended to both support the Program Assessment Chart and provide the basis for other data analysis. In addition, this chart highlights major program events in the next six months, and identifies performance parameters at risk. A chart of Monthly Obligations and Expenditure Goals for use with the Funding quadrant is at atch 4. The directions for creating the Cost and Schedule Variances Chart which comprises the Contract Performance quadrant is at atch 5. The software to prepare this chart is not attached to this document, but is available by contacting the MAR POC.

An Acronym List is located at atch 6.

Questions concerning the MAR should be directed to SAF/AQXR as the OPR. The POC is Mr. Alan Lachel at 703-588-2682 (DSN 425-2682) and at e-mail address alan.lachel@pentagon.af.mil.

Attachments

1. List of Programs Submitting MARs
2. Program Assessment Chart and instructions
3. Program Data Chart and instructions
4. Monthly Obligation and Expenditure Goals
5. Cost and Schedule Variances Chart
6. Acronym List

DATA DEFINITIONS
FOR
PROGRAM ASSESSMENT

The purpose of this one-page format is to provide the SAE a current assessment of the overall program. The chart consists of a heading section, followed by an assessment section comprised of five required parts, and finally, an optional accomplishments section. Both the SPD and the PEO/DAC are involved in its preparation. The intent is to focus on issues, impacts, and resolution plans (way ahead). As applicable, include impact(s) from interrelated programs that may adversely affect program objectives. The SPD and PEO/DAC shall ensure it is both brief and understandable to those outside the program office. Note: Please do not change the font or size used in the template other than in cases identified in the directions below.

HEADING SECTION DATA ELEMENTS

Program Name: Enter the full name of the program. List only the full name of the program, do not preface by “Program Name”. If the program name is too long for the space allowed, a smaller font may be used.

Program Short Name: Enter the abbreviated name used in the database. See program list attached to the MAR Policy letter. List only the short name of the program, do not preface by “Program Short Name:”.

ACAT: Enter the appropriate acquisition category designator: IC, ID, IAM, IAC, II, III. ACAT definitions are found in DoD 5000.2. Programs not falling under the above ACAT definitions should select from “FMS”, “Non-ACAT” (i.e. an experiment, the AF portion of a Joint program where another Service is the Executive Agent, or an ACTD), or “N/A” if none of the other designations here apply.

Phase: Enter the appropriate phase(s) the program is in:, PDRR, EMD, or PROD (or programs designated in SDD, PD, or O&S per the new DoD 5000.2), or other descriptor if appropriate (e.g. S&T).

Description: Provide a two-line description of the program. Include its objective and its deliverable (e.g. Next generation multi-role fighter). Do not bold the text of this item. If this is a joint program, identify it here.

Month Year: Enter the month and year the report covers. Use the MMM YY convention (e.g. Jun 01). Abbreviate the month and do not bold the text.

ASSESSMENTS SECTION DATA ELEMENTS: This section is currently comprised of five major sub assessments. Within each sub assessment are common data elements. The generic definitions of the common data elements are based on those found in the Defense Acquisition Executive Summary (DAES) portion of the DoD Acquisition Deskbook:

Arrow Colors:

GREEN: A green arrow indicates that this part of the program is progressing satisfactorily toward meeting the approved program baseline. The approved program baseline should be based on the APB, PMD, ORD, SLA, or other appropriate direction. Some problems may exist, but appropriate solutions are available and generally within the control of the SPO.

YELLOW: A yellow arrow indicates that something has occurred that has a high probability of impairing progress toward meeting the approved program baseline. A plan is being implemented to address the situation. Issue resolution may require assistance from outside the SPO (i.e. PEM or PEO/DAC).

RED: Some event occurred that has or will preclude the program from meeting its current approved program baseline. As a result, a change to the approved program baseline is required, and likely requires some action from the PEO/DAC, SAE, or DAE.

Arrow Directions

UP: Indicates that positive progress is being made to solving previously identified issues. In the case of green up, it means we are significantly exceeding expectations.

DOWN: Progress is not being made as hoped, and we expect that the color will degrade soon if the current plan or way ahead is not successful. For those who submit a DAES report, think of this as “advisory.”

SIDE: No change in status or progress since last report. Maintaining current path. **A green arrow pointing up or to the side requires no further explanation in that particular assessment area.**

Issue Category: In order to facilitate a quick assessment by the SAE, the following Issue Categories shall be used to identify the reason for all Yellow or Red assessments in the five assessment sections. It may be left blank for Green ratings. The Issue Categories are first arranged into two broad categories: External, and Execution, each of which has further breakouts. External Issues are things the Air Force has no control over. Execution Issues are things that involve Air Force actions. The breakout of the two broad Issue Categories and examples of each are listed below.

EXTERNAL – CONGRESS: Directed changes due to Congressional language; or awaiting Congressional action such as AF approved reprogramming, Omnibus, etc.

EXTERNAL – OSD: Directed changes due to PBD or PDM; or awaiting OSD action, such as APB approval, or DAB delay, or release of withhold dollars, etc.

EXTERNAL - FUNDING: Planned other-than-AF funding not provided (i.e. other Department, Service, Agency, or Organization. Typically this would apply to a joint program.)

EXTERNAL – OTHER: Required changes due to natural disasters, strikes, etc.

EXECUTION – FUNDING: Directed changes or instability due to corporate AF decisions, (SER, IBR, AFCS, taxes, etc.); or mismatch between APB and POM, and poor obligation and/or expenditure performance

EXECUTION – PROGRAMMATICS: Unanticipated schedule issues, GFP/GFE issues, OT testing issues, and contracting issues

EXECUTION – REQUIREMENTS: KPP issues, requirements under development, operator/user changes to requirements

EXECUTION - CONTRACTOR PERFORMANCE: Poor contractor technical, cost and/or schedule performance

EXECUTION – COST ESTIMATING: Poor estimating, algorithm changes, economic assumptions

EXECUTION – OTHER: Issues, participants, and/or events not otherwise accounted for in the other Execution categories. Every attempt should be made to use the other Execution categories before citing this one.

Issue: For each assessment area, describe the issue causing a yellow or red rating in no more than two lines. The focus here is on “the why”, and if applicable, “the who” associated with the problem. Conciseness is required here, since this Issue comment is imported into the MAR Monthly Acquisition Program Trends, which is limited to 60 characters. Example: Flight test uncovered aileron flutter problem.

Consistency and Linkage: If interdependencies exist between two or more areas, reflect negative ratings in each of these affected areas, and be sure to identify the root cause in each of these areas.

If there is an independent issue driving an assessment area to a red or yellow rating, list “this” issue in lieu of an interdependency derived rating.

Impact: For each assessment area "Issue", assess specific programmatic impact and limit to 2-3 bullets. The focus here is on what is or will be the result of the issue. Example: An additional 3-month schedule slip--will breach APB.

Way Ahead: For each assessment area with an issue, list actions being taken or planned as preventative or get-well measures. Identify overall get-well strategy and some near-term planning and achievement. Include expected recovery dates. Example: Engr review underway, expect report by Jan 01. APB change package in draft. Cost of delay unknown - estimate due Jan 01.

The following definitions describe the current five assessment areas:

Overall Assessment (OVERALL): This is an independent assessment and recommendation by the PEO or DAC as to overall program executability. The evaluation should focus on whether the SPO can do what it has been directed to do. This assessment should be consistent with the program’s issues and risks and the definition of Arrow Colors listed above. Notification of initiation or termination of MAR reporting should be made here.

Contract Performance (COST): This is the SPD's assessment of the program's contract(s) based on performance to date. It is not based on a spend-rate assessment, but one of performance for the dollar. Contract cost problems may be a preliminary indicator of future funding, schedule or technical problems. Some items to consider include: Are the contracts performing within their cost projections? Is there an uncontrolled or high negative cost variance? What is the projected outcome or estimate at completion? Is the over target baseline a symptom of a deeper problem?

Green – Cumulative Cost and/or Schedule Variances from positive values to negative 4.9%.

Yellow – Cumulative Cost and/or Schedule Variances between negative 5% and negative 10%.

Red – Cumulative Cost and/or Schedule Variances exceed negative 10%.

Exceptions - The following exceptions to an assessment in this area may apply so long as: the effort is not a PEO/DAC/SAE interest item, and there is no projection of, or an actual, cost overrun, schedule slip(s), or technical requirements deviations and/or waivers.

- If the contract is FFP and less than \$10M, or if the contract is FFP and less than 1 year in duration. If either of these two conditions apply, reporting on that contract is not necessary. This provision also applies to LOE type contracts.

- If the contract is O&M (3400) funded, and less than \$6M, or if the contract is less than 1 year in duration.

- If it is a study contract and less than \$4M.

- If it is a time and materials contract and less than 1 year in duration.

If it is an indefinite time/indefinite quantities contract, assess the work in individual delivery orders and determine for which the above exceptions apply, and do not apply.

Other exceptions may be considered on a case-by-case basis by SAF/AQXR

The time and dollar values listed in the exceptions above apply to the projected or estimated length and value of the contract (including options), not just the initial values.

If the exception(s) above applies, the applicable contracts are exempt from the MAR performance measurement reporting requirement. If all the program's contracts qualify for the exceptions, this assessment section should show a green arrow facing sideways. Additionally, in this case, a statement identifying the exception with no further data needs to be provided in the Contract Performance section of the Program Data Chart.

This requirement for performance measurement information in the MAR is not justification to request a waiver, or implement, a CDRL for Earned Value Management on a contract not called for in the DoD 5000.2. (i.e. this MAR requirement is not justification for a contractual requirement for EVM reporting).

Funding Assessment (FUND): This is the SPD's assessment on whether the SPO has the current year funds to execute the currently approved strategy (i.e. can they buy the quantities of systems, spares, training, without rebaselining?). If there is an issue, be sure to identify the specific appropriation. Specific examples of color ratings could include:

Green - Funding/Budget adequate – no shortfalls. Current Year – Funding sufficient to meet current year requirements. Obligation and Expenditure rates meet SPO forecast--no risk of losing funds.

Yellow - Funding/Budget shortfalls exist--program is executable, but with increased risk. Current Year - Funding not sufficient to meet current year requirements and most likely will require a below threshold reprogramming. Obligation and Expenditure rates slightly below the SPO forecast--program faces risk of losing funds.

Red – Total, or individual year (i.e. FY01), funding or budget shortfalls make program unexecutable. Current year shortfalls require above threshold reprogramming.

Technical Performance Assessment (TECH): This is the SPD's assessment on whether the program is meeting or on track to meet its technical performance parameters and/or KPPs. Is there any unplanned performance issue causing problems (e.g. engine failures or s/w failures)? Specific examples of color ratings could include:

Green - expected to fall between objective and threshold values

Yellow - the latest estimate suggest the ability for the characteristic to achieve threshold values is at risk, or

- the characteristic is expected to fall outside 75% of objective values

Red - projected not to meet threshold values

Ensure all descriptions and discussion in this area remain unclassified.

Schedule Assessment (SCHED): This is the SPD's assessment on whether the program is able to meet all its APB milestones or any other significant program milestones if an APB does not exist. Are any major management controls showing an uncontrolled or high negative schedule variance? Has any problem area moved onto the critical path? Specific examples of color ratings could include:

Green - Slight milestone variance may occur, but is not projected to affect the approved Acquisition Program Baseline or PMD direction

Yellow - the latest estimate suggests the ability to achieve threshold dates is at risk; or

- expected milestone dates expected to slip 4 months (or 75%) from objective dates

Red - expected milestone slip beyond threshold dates. APB breach has occurred or is projected.

Acronyms: In the blank area under the Overall assessment section's "Issue Category" you may spell out key program-specific acronyms you use in your write up.

Note: The vertical size for each of the five assessment sections can be adjusted as needed to tailor them accordingly. For example, any assessment area rated green with an arrow pointing to the side requires no listing of Issue, Impact, or Way Ahead thus allowing the section to be compressed and free up additional space for the adjoining assessment area as needed.

OTHER INFORMATION : The last section of the Program Assessment Chart is to communicate significant accomplishments, further clarification of an identified issue(s), or other information/issues outside the scope of the assessment sections deemed appropriate by the SPD to the SAE. This last category could include issues involving management, manning, future-year

funding shortfalls, contract issues, unit cost breaches. It can also be used to identify the baseline document used to measure against, the next thing the SPD is concerned about, or changes to the Obligations and Expenditures forecast. This section is optional. Keep the focus on current and future status and issues. Short, succinct bullets are the desired format. Do not adjust the size of this section. Examples of significant accomplishments may include: Successful first flight at Edwards AFB, 25 May 01, or LRIP contract for 1st 45 engines awarded to P&W, 15 May 01.

DATA DEFINITIONS

FOR

PROGRAM DATA

The purpose of this one-page format is to provide the SAE sufficient key program data to evaluate overall program status. It is intended to support the Program Assessment Chart. This chart consists of a heading section, followed by four required data element sections. The SPD is responsible for preparation of this chart. The sample MS PowerPoint format contains some notional data to assist in preparation of this chart. Note: Do not change the font size. Once the MAR is automated, a separate data template will be made available.

HEADING SECTION DATA ELEMENTS

Program Name: Enter full name of the program, or program short name if space is a problem.

Month Year: Enter the month and year the report covers (e.g. May 01). Abbreviate the month.

SPD: Provide SPD name, office symbol and phone number

PEO/DAC: Provide PEO/DAC name, organization, and phone number

PROGRAM DATA ELEMENTS

Contract Performance (Cost): The Cost quadrant is based on data from contract performance reporting. For contracts with an Earned Value requirement, this is normally provided through the CPR or C/SSR. For all other contracts not exempted, the data is estimated by the SPD using the latest contractor program progress or status reporting. In these cases, develop a methodology for planning and measuring the work that is logical, and apply it consistently. The same level of fidelity and accuracy associated with EVM reporting is not feasible and not expected. If there are multiple contracts for the program, the SPD should select the contract that most represents program status, or is referred to in the Program Assessment chart. If the contract selected is exempted from MAR performance measurement reporting, insert a statement in this quadrant that cites "N/A" and the exemption that applies. Once the MAR is automated, provisions will be made available to provide contract performance measurement data for applicable all contracts.

This quadrant compares the cumulative Cost and Schedule variances against a cumulative plus (+) and minus (-) 10% "band" or "cone". It displays both the trend of the two variances and whether they stay within a 10% variance.

SAF/AQXR has developed an Excel template that generates the chart to be pasted into the Contract Performance quadrant. This template is available to all Air Force programs to support their MAR submission. Directions for preparing the Cost and Schedule Variances Chart are

contained in atch 5 of the Monthly Acquisition Report (MAR) Policy. Contact the MAR POC for a copy of the software used to generate the chart used in the Contract Performance quadrant. wInsight, and other comparable performance measurement analysis software packages also generate this chart. If available, they may be used in lieu of the chart generated by the Excel template provided by SAF/AQXR.

Label the SV and CV lines on the Cost and Schedule Variances chart itself.

Program Schedule: This focuses on, but may not be limited to, a six-month look ahead for events appropriate for the SAE to know. Ensure APB milestones and major program events are included. For APB milestone dates, use the objective date. Identify in bold if SAE and/or DAE action is required (e.g. MS-C DAB / 31 Aug 01 / **(SAE/DAE)**). SPDs should include other contract or program events they feel are significant, to include the next milestone being tracked. Examples include any APB item, any major contract award or RFP release, entrance into DT or OT, first flight, OIPTs, contractor IBRs, IOC, etc. List event and then date. Use a bullet format and list in chronological order

Funding: Data for the Funding section focuses on both current year execution data, and current years program budget and requirements. Data will be in TY\$. Funds will be based on \$ in millions and will use only one decimal place (e.g. 35.8M or 8000.2M).

SPO forecast and actual data used for Obligation/Expenditure data should be as of the end of the month. In the upper right-hand of this quadrant, designate the source of the data (based on SPO contracting records or accounting records (DFAS)) and the “as of” date (month) for the data in the chart.

The data table is an embedded MS Excel spreadsheet.

The current format does not currently allow all funds for all years to be identified. This will be addressed when we implement an automated version of the MAR. In the meantime, modify the spreadsheet in the “FUNDING” quadrant as follows to best represent the funding for the program. Identify in the APPN (Appropriations) column those appropriations that affect program execution. This quadrant is focused primarily on AF funding and is not limited to just the appropriations listed in the template. However, if significant funding is from other services or agencies, or there are more than three significant appropriations, create an “OTHER” section in the third appropriation block to ensure an accurate reflection of overall program budget/funding status. “TOTAL” shown in the bottom block, will represent the sum of the appropriations you identified above.

The FY column should include the current or execution years of the appropriations listed in the APPN column.

FUNDS STATUS is broken into three sub-columns with all data expressed in \$:

- APPROP is based on President’s Budget submissions as modified by the Appropriations law. If currently operating under CRA, enter “CRA” in lieu of numbers.
- BA Released is based on BA approved to date.

- Total Required is the judgement of the SPD of the total funding required by appropriation to execute the AF-directed program.

OBLIGATIONS columns are expressed in cumulative % using BA as the base and are also broken down into three sub-columns. For O&M, if BA is released in portions (such as quarterly increments) throughout the year, use anticipated annual BA as the base.

- OSD Goal represents an estimated monthly cumulative goal to support estimated end of FY obligation goals. Using atch 4, Monthly Obligations and Expenditure Goals, insert appropriate month data into the column labeled “OSD Goal”.
- SPO Forecast is the forecast as of the beginning of the FY and should be modified only for changes in BA. If the Forecast is changed, be sure to identify the “As Of” date in the lower right hand corner of the Funding quadrant.
- SPO Actuals are obligations based on either SPO contracting records or DFAS (accounting) records. Remember to update in upper right-hand corner for source (e.g. DFAS, SPO, etc).

EXPENDITURES columns are also expressed in cumulative %, again using BA as the base, and are also broken down into three sub-columns. For O&M, if BA is released in portions (such as quarterly increments) throughout the year, use anticipated annual BA as the base.

- OSD Goal represents an estimated monthly expenditure goal to support estimated FY-end obligation goals. Using atch 4, Monthly Obligations and Expenditure Goals, insert appropriate month data into the column labeled “OSD Goal”.
- SPO Forecast is the forecast as of the beginning of the FY and should be modified only for changes in BA. If the Forecast is changed, be sure to identify the “As Of” date in the lower right hand corner of the Funding quadrant.
- SPO Actuals are expenditures based on either SPO (contract data) or DFAS (accounting) records.

Ensure both Forecasts and Actuals taken are based on either contracting/contractor or accounting records. Do not mix and match them, i.e. don’t base your Forecast on accounting records and then use contracting records for taking Actuals.

Please ensure the following data boxes are shaded in blue (as shown in the template)

- For RDT&E, shade the current FY and the associated three Expenditure boxes (OSD Goal, SPO F’cast, and SPO Act’l)
- For Procurement, shade the current FY and the associated three Obligation boxes (OSD Goal, SPO F’cast, and SPO Act’l)
- For all other appropriations (including O&M), shade the current FY and the associated three Obligation boxes (OSD Goal, SPO F’cast, and SPO Act’l).

Tech Performance : Input into this quadrant is on an exception basis only. List the performance parameters that are referenced in the accompanying Program Assessment Chart. These should consist only of those assessed by the SPD to already be, or projected to be, yellow or red. Show the title of the technical performance parameter, the objective and threshold values and the SPD’s current estimate value.

Ensure that only unclassified performance characteristics are included here. If the characteristic(s) assessed as yellow or red is classified, annotate with “Classified” and do not include associated data.

ACRONYM LIST

AFCS	Air Force Corporate Structure
ACAT	Acquisition Category
ACTD	Advanced Concept Technology Demonstration
AFPMRS	Air Force Performance Measurement Reporting System
APB	Acquisition Program Baseline
APPN	Appropriation
BA	Budget Authorization
BAC	Budget At Complete
CPR	Cost Performance Report
C/SSR	Cost/Schedule Status Report
DAC	Designated Acquisition Commander
DAE	Defense Acquisition Executive
DAES	Defense Acquisition Executive Summary
DFAS	Defense Finance and Accounting Service
DT	Developmental Testing
EAC	Estimate At Complete
EMD	Engineering and Manufacturing Development
EVM	Earned Value Management
FMS	Foreign Military Sales
GFE	Government Furnished Equipment
GFP	Government Furnished Property
HAF	Headquarters Air Force
IBR	Integrated Baseline Review
IBR	Investment Budget Review
IOC	Initial Operational Capability
KPP	Key Performance Parameters
LOE	Level of Effort
LRIP	Low Rate Initial Production
LRE	Latest Revised Estimate
MAD	Mission Area Director
MAR	Monthly Acquisition Report
MOD	Modification
MS	Microsoft
O&S	Operations and Support
OIPT	Overarching Integrated Product Team
OSD	Office of the Secretary of Defense
OT	Operational Testing
OTB	Over Target Baseline
P-Doc	Procurement Documents
PBD	Program Budget Decision
PD	Production and Deployment
PDM	Program Decision Memorandum
PDRR	Program Development and Risk Reduction
PEM	Program Element Monitor

PEO	Program Executive Officer
POC	Point of Contact
POM	Program Objectives Memorandum
PPBS	Planning, Programming and Budgeting System
PROD	Production
R-Doc	Research, Development, Test and Evaluation Documents
RDT&E	Research, Development, Test and Evaluation
RFP	Request for Proposal
S&T	Science and Technology
SAE	Service Acquisition Executive
SAR	Selected Acquisition Report
SDD	System Development and Demonstration
SECAF	Secretary of the Air Force
SER	Spring Execution Review
SLA	Service Level Agreement
SPD	System Program Director
SPO	System Program Office

COST AND SCHEDULE VARIANCES CHART

This chart uses performance measurement to depict contract status. It applies to all programs. Data entry is into an Excel spreadsheet, which in turn generates the Cost and Schedule Variances Chart used in the Contract Performance quadrant of the MAR Program Data Chart. The chart displays contract performance from inception through current month. The Excel template spreadsheet file is available from MAR POC located in SAF/AQXR.

Definitions and directions for data entry into the Excel spreadsheet are below:

For each applicable contract, we recommend making a separate Excel file. For any/all contracts, follow the process below:

SETUP

- 1) Add a new column for current month data.
- 2) In Line 35 enter the "Month/Year" of the latest Report
- 3) Copy Lines 37 - 90 from previous month column to current month column. This operation transfers formulas and data fields associated with individual cells. In addition to creating the Cost and Schedule Variances Chart for the MAR, this template also automatically generates a number of items for the SPO to use in analysis of the data. Examples include current period performance numbers, calculation of cost, schedule and completion indices and a number of "estimate at completion" forecasts based on the monthly EVM data.

DATA ENTRY

Contracts with Earned Value information from CPR or C/SSR should report in all the blocks. All values should be dollar values (\$ in M) as taken from the CPR or C/SSR

- Line 37: BCWS - Cumulative work scheduled
- Line 38: BCWP - Cumulative work performed
- Line 39: ACWP - Cumulative actual costs
- Line 40: BAC - Budget at Completion
- Line 41: LRE - contractor's Latest Revised Estimate at Completion
- Line 42: MR - amount of Management Reserve remaining
- Line 43: OTB Amt - latest Over Target Baseline (amount, if applicable)
- Line 44: (Leave Blank)
- Line 45: SPO EST - the SPO "Most Likely" Completion Estimate

Contracts which do not have Earned Value reporting, and are not FFP, and should report in the following lines. All values should be dollar values (\$ in M).

- Line 37: BCWS - equates to amount of Work Scheduled and is the SPD's estimate of the percent of the Total Work that should have been completed to date multiplied by the Target Price less Fee
- Total Work equates to BAC and is Target Price less Fee.

- Line 38: BCWP - equates to amount of Work Performed and is the SPD's estimate of the percent of Total Work that has been accomplished to date multiplied by the Target Price less fee. The SPD's estimate should be based on their assessment of technical progress.
 - Total Work equates to BAC and is Target Price less Fee.
- Line 39: ACWP - equates to Actual Cost to date and is the percent of contract resources that have been spent to date times the Target Price less fee.
- Line 40: BAC - equals Target Price minus Fee
- Line 41: LRE - is the contractor's latest revised estimate at completion, excluding Fee
- Line 42: MR - (Leave Blank)
- Line 43: OTB Amt - (Leave Blank)
- Line 44: (Leave Blank)
- Line 45: SPO EST - The SPD's estimate at complete, excluding Fee

FFP contracts which do not have Earned Value reporting, will enter the following data. All values should be dollar values (\$ in M).

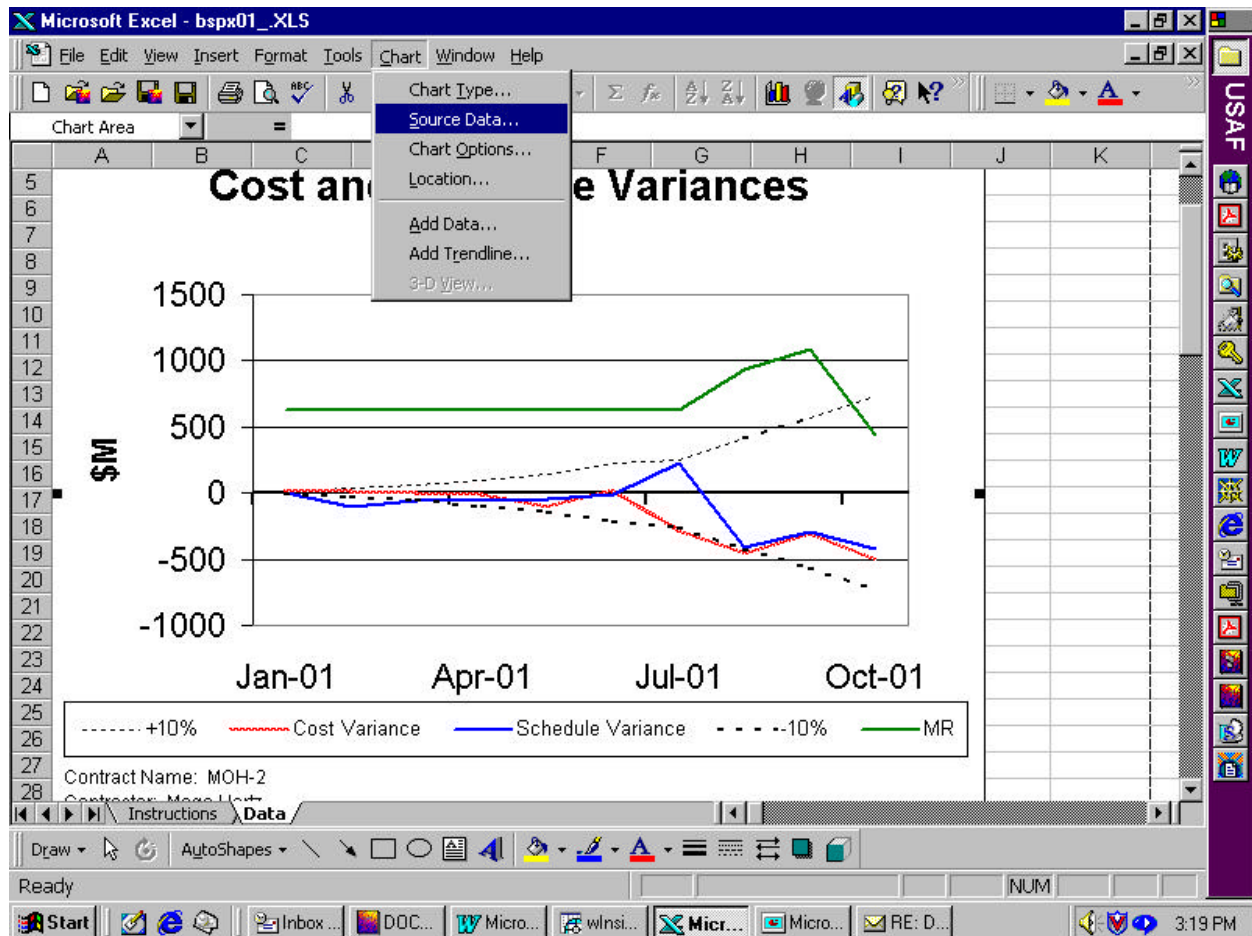
- Line 37: BCWS - Work Scheduled is the SPD's estimate of the percent of the Total Work that should have been completed to date times the Target Price
 - Total Work equates to BAC and in this case is Target Price
- Line 38: BCWP - Work Performed is the percent of Total Work that has been accomplished to date times the Target Price. The SPD's estimate should be based on their assessment of technical progress.
 - Total Work equates to BAC and in this case is Target Price
- Line 39: ACWP - Actual Cost is the percent of contract resources that have been spent to date times the Target Price
- Line 40: BAC - Equals Target Price
- Line 41: LRE - The contractor's estimate of the final price to the government (usually equal to the Target Price)
- Line 42: MR - (Leave Blank)
- Line 43: OTB Amt - (Leave Blank)
- Line 44: (Leave Blank)
- Line 45: SPO EST - The SPD's estimate of the final price to the government

CHART PREPARATION

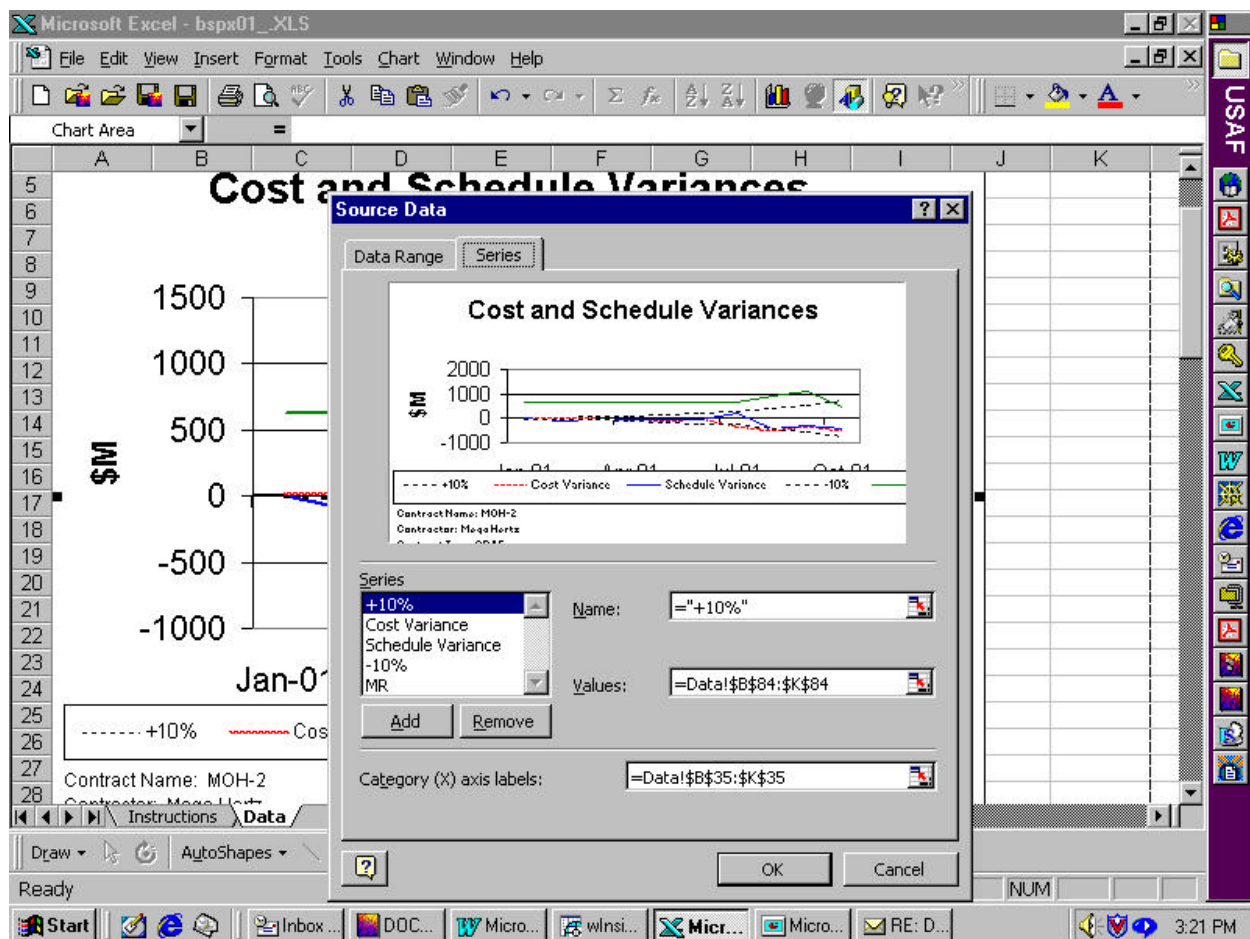
This Excel file also converts the data entered into the Cost and Schedule Variances Chart which is displayed in lines 3 to 30 of the Excel spreadsheet file. This chart is to be copied into the Contract Performance quadrant of the MAR Program Data Chart. Directions and accompanying illustrations for updating the Cost and Schedule Variances Chart are provided below.

- Under "Legend" provide the following information in the left text box:
 - Contract Name: the name of the contract, or what is being procured (i.e. Lot 2 Buy)
 - Name of Contractor: identification of the contractor
 - Type of Contract: the type of contract (i.e. CPAF, FPIF, FFP)
- Under "Legend" provide the following information in the right text box
 - % Complete (from line 64 of the spreadsheet)

- Data Source: enter either “Earned Value - CPR” or “Earned Value - C/SSR” for those receiving EVM reports, or “SPO Estimated” for those contracts not receiving EVM reports
- As Of Date: The date of the CPR or C/SSR, or of other reporting used as a basis to estimate contract performance measurement status.
- Click anywhere on the chart
- From the Menu Bar choose “Chart”, then choose “Source Data”, as illustrated below.



- Click on the “Series” tab on top. This will take you to a template to update each of the five lines that make up the chart to the current month. It is illustrated below. For each of the 5 lines:
 - Select each chart line by choosing the “Series” name from the block at the lower left of the template. Update the “Value” range by modifying the range in the associated “string” or equation to include the current month. This is done by modifying the “Values” line located at the lower right of the template to replace the column identifier for the previous month with the column identifier for the current month (example: “K” has replaced “J” in the illustration below).
 - Don’t forget to also update the “Category (X) axis labels” “string” or equation to capture the latest date.



- Save your work and then copy and paste to the Contract Performance quadrant of the MAR Program Data Chart. You will need to size and align the chart into the space provided.